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(CIA)

WASHINGTON--THE STATE DEPARTMENT ANNOUNDED TODAY THAT ALL SECRET FINANCIAL SUPPORT FOR THE OVERSEAS ACTIVITIES OF AMERICAN EDUCATIONAL AND PRIVATE GROUPS WILL BE DISCONTINUED IN TIME TO MEET THE SCHEDULED DEADLINE OF DEC. 31.

DEPARTMENT SPOKESMAN ROBERT J. MCCLOSKEY RECALLED THAT THE DEADLINE HAD BEEN RECOMMENDED BY A COMMITTEE APPOINTED BY PRESIDENT JOHNSON TO EXAMINE COVERT SUPPORT, SPECIFICALLY FROM THE CENTRAL INTELLIGENCE AGENCY (CIA), OF PRIVATE GROUPS AS IN THE CASE OF THE NATIONAL STUDENTS ASSOCIATION.

IN ANNOUNCING THAT THE CUTOFF TARGET DATE HAS BEEN MET, MCCLOSKEY SAID: "COVERT FINANCIAL SUPPORT WILL IN EVERY INSTANCE BE DISCONTINUED PRIOR TO DEC. 31, 1967."

THE PRESIDENTIAL COMMITTEE WHICH WAS COMPOSED OF UNDERSECRETARY OF STATE NICHOLAS DEB. KATZENBACH, JOHN W. GARDNER, SECRETARY OF HEALTH, EDUCATION AND WELFARE, AND CIA DIRECTOR RICHARD HELMS, WAS APPOINTED TO EXAMINE CIA SUPPORT AFTER THE FUROR EARLY THIS YEAR SURROUNDING ITS AID TO THE NATIONAL STUDENTS ASSOCIATION.

MCCLOSKEY DECLINED TO NAME THE ORGANIZATIONS INVOLVED OR TO INDICATE HOW MANY HAD RECEIVED SECRET FUNDS.

HOWEVER, HE INDICATED THAT THE ORGANIZATIONS WHICH HAD RECEIVED SECRET FUNDS REPRESENTED ONLY A VERY SMALL NUMBER OF THE 1,000 GROUPS WHICH HAVE CONDUCTED ACTIVITIES OVERSEAS.

MCCLOSKEY SAID THAT SOME ORGANIZATIONS HAD "RECEIVED CONTRIBUTIONS TO TIDE THEM OVER THE PERIOD REQUIRED TO DEVELOP NEW SOURCES OF FUNDS."

HE ADDED THAT THE GOVERNMENT WAS CONTINUING TO STUDY WAYS TO PROVIDE PUBLIC FUNDS OPENLY FOR ORGANIZATIONS "WHICH ARE ADJUDGED DESERVING IN THE NATIONAL INTEREST OF PUBLIC SUPPORT."

HE ALSO SAID THAT HE WAS NOT IDENTIFYING THE GROUPS WHICH HAD RECEIVED SECRET FUNDS BECAUSE "TO DO SO WOULD NOT BE IN THE NATIONAL INTEREST." SUCH A DISCLOSURE MIGHT ALSO PREJUDICE THEIR CHANCES OF DEVELOPING OTHER MEANS OF SUPPORT, MCCLOSKEY SAID.

12/29--TM152PES